



Ninth Consecutive Quarter of Increased Gold Production

Pantoro Limited (**ASX:PNR**) (**Pantoro**) is pleased to provide a summary of key events and operational statistics achieved during the September 2017 quarter ahead of releasing the quarterly activities and cashflow report. Key highlights during the quarter included:

Production Growth

- A total of 13,282 ounces were produced compared with 11,828 ounces in the June quarter, a 12% increase quarter on quarter. The quarter was the ninth consecutive quarter of increased gold production from the Nicolson's Project since the first gold was poured in September 2015.
- Tonnage processed for the quarter increased to 58,723 tonnes at a grade of 7.60 g/t. The average annualised run rate of 230,000 tonnes per annum has now been achieved for six months.
- Underground production increased to approximately 39,143 tonnes mined at a grade of 8.44 g/t Au and an additional 4,761 tonnes of low grade stockpiled separately. Ore development in the Johnston Lode from the south decline identified higher grades than anticipated in the Mineral Resource model.
- The underground mining sequence is well advanced with an additional four stoping levels to commence during the ensuing quarter. Once fully operational it is expected that underground mine production will meet current processing plant capacity, with additional ore to be stockpiled while open pit mining continues.
- Open pit production for the quarter was 25,183 tonnes mined at a grade of 5.97 g/t Au. An additional 4,201 tonnes of low grade material was stockpiled separately. Total movement including waste was 205,862 BCM. Output in the open pits was reduced compared with the previous quarter due to equipment being deployed to construct the new tailings cell which is now complete.
- Surface stockpiles of ore at the end of quarter were 14,010 tonnes @ 6.99 g/t Au, and a further 57,452 tonnes @ 2.15 g/t of low grade material. A total of 71,462 tonnes @ 3.10 g/t for 7,122 ounces available for processing.

Increased Exploration Investment

- Increased production has facilitated continued growth in the exploration effort on site with two underground and two surface drill rigs now operating.
- Drilling is focused on mine extensions at Nicolson's and Wagtail and new regional targets.
- Regional exploration drilling commenced during the quarter on the first new drill targets. Reconnaissance programs have recently been completed at the Midnight, Edison and Springvale prospects. Assays are pending.

Drilling below Wagtail Pits Continues to Support Underground Potential

- Drill results from the ongoing drill program beneath the Wagtail pits, one kilometre south of the Nicolson's processing plant, continue to support the case for the commencement of underground mining following completion of the current open pit program.
- Drilling on a continuous day/night shift basis commenced during the quarter and has demonstrated the continuity below the base of the current designed pits. Best results included:
 - » 1.25 m @ 11.13 g/t Au from 138.3 m – including 0.3 m @ 38.6 g/t Au.
 - » 2.75 m @ 10.31 g/t Au from 141.15 m – including 1.25 m @ 22 g/t Au.
 - » 2.55 m @ 15.61 g/t Au from 80.35 m – including 0.85 m @ 41.7 g/t Au.
 - » 1.4 m @ 20.48 g/t Au from 102.7 m – including 0.5 m @ 37.8 g/t Au.
 - » 0.85 m @ 13.35 g/t Au from 107.85 m.
- Please refer to the ASX announcement titled "Nicolson's Project Exploration Update" dated 31 July 2017 for full details.

Nicolsons Underground Drilling

- Drilling at Nicolsons has further extended the known strike length of the Johnston Lode at depth beyond the recent Mineral Resource limits. These results and additional high grade results also from the Anderson lode include:
 - » 2.0 m @ 26 g/t Au from 47 m.
 - » 1.1 m @ 31.24 g/t Au from 108.9 m.
 - » 0.9 m @ 37.4 g/t Au from 139.5 m.
 - » 1.93 m @ 7.67 g/t Au from 53 m.
 - » 0.75 m @ 18.4 g/t Au from 168.55 m.
- Please refer to the ASX announcement titled “Nicolsons Project Exploration Update” dated 31 July 2017 for full details.

Corporate

- Debt position reduced by 1,500 ounces to 3,500 ounces.
- Cash and gold continued to grow with \$14.6 million at the end of the quarter.[^]

Managing Director Paul Cmrlec said:

“The Halls Creek Project continues to meet our planned production growth with an annualised rate of more than 53,000 ounces achieved during this quarter. The board is particularly pleased with the ongoing high grade results achieved in drilling beneath the Wagtail open pits, and in extensions to the Nicolsons Mine lodes. We are now drilling up to 7,000 metres in exploration holes per month, and look forward continued growth in our gold inventory both from the existing mines and in the new regional drill targets which are now active.”

Enquiries

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[^] Includes \$10.60M cash, 879 ounces in gold at mint, 782 ounces in dore for shipment and 754 ounces in gold in circuit at a closing gold price of \$1,637/oz.

Compliance Statements

Drilling Results

The information is extracted from the report entitled ‘Nicolsons Project Exploration Update’ created on 31 July 2017 and is available to view on Pantoro’s website (www.pantoro.com.au) and the ASX (www.asx.com.au). Pantoro confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement.

Forward Looking Statements

This announcement may contain forward-looking statements which are identified by words such as ‘may’, ‘could’, ‘believes’, ‘estimates’, ‘targets’, ‘expects’, or ‘intends’ and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Pantoro, the Directors and our management. Pantoro cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.